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CONFIDENTIAL

PAGE 01 BELJIN 15864 01 OF 02 1209092 ACTION EAP-00

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FM AMEMBASSY BEIJING

TO SECSTATE WASHDC NIACT IMMEDIATE 0526

INFO AIT TAIPEI IMMEDIATE

AMCONSUL GUANGZHOU IMMEDIATE

AMCONSUL HONG KONG IMMEDIATE

AMCONSUL SHANGHAI IMMEDIATE

AMCONSUL SHENYANG IMMEDIATE

AMEMBASSY BANGKOK IMMEDIATE

AMEMBASSY LONDON IMMEDIATE

AMENDACCY MOCCON TAMEDIAME

AMEMBASSY MOSCOW IMMEDIATE

AMEMBASSY NEW DELHI IMMEDIATE

AMEMBASSY LISBON IMMEDIATE

AMEMBASSY PARIS IMMEDIATE

AMEMBASSY SEOUL IMMEDIATE AMEMBASSY TOKYO IMMEDIATE

USCINCPAC HONOLULU HI IMMEDIATE

USIA WASHDC IMMEDIATE 8388

AMCONSUL CHENGDU POUCH)

C O N F I D E N T I A L SECTION 01 OF 02 BEIJING 15864

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NSC FOR DOUG PAAL

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PAGE 02 BEIJIN 15864 01 OF 02 120909Z

E.O. 12356:DECL:OADR

TAGS: PGOV, PHUM, SOCI, CH

SUBJECT: TFCH01: SITREP NO. 50: JUNE 12, 1700 LOCAL

- 1. CONFIDENTIAL ENTIRE TEXT.
- 2. SUMMARY: CENTRAL PEOPLE'S RADIO AND CCTV CARRIED LENGTHY AND HARSH CRITICISM OF VOA'S "DISGRACEFUL RUMOR-MONGERING" AND OF THE US EMBASSY FOR HAVING

GRANTED TEMPORARY REFUGE TO FANG LIZHI. VARIOUS GOVERNMENT ENTITIES INITIATED CONTACT WITH US JUNE 12 TO SET UP APPOINTMENTS TO DISCUSS ROUTINE MATTERS LEFT OVER FROM PRE-JUNE 4. MEANWHILE, THE SOVIETS PROVED THAT THEY ARE WILLING TO DEAL WITH THIS GOVERNMENT: SOVIET AMBASSADOR TROYANOVSKY HELD A "FRIENDLY TALK AND EXCHANGED VIEWS" WITH VICE PREMIER TIAN JIYUN ON JUNE 12, ACCORDING TO THE OFFICIAL XINHUA NEWS AGENCY. THE AIRLINES MOST LIKELY TO BE USED BY WESTERN EMBASSIES AND EXPATS SHOULD OPERATE ACCORDING TO SCHEDULE FOR THE REST OF THIS WEEK. THE AMERICAN CITIZEN GENERAL MANAGER OF THE BABCOX AND WILCOX JOINT VENTURE IN BEIJING, THE SECOND LARGEST AMERICAN JV IN THE CITY, WANTS TO RETURN TO WORK ASAP. THE MILITARY IS CONSOLIDATING AND ADJUSTING THEIR AREAS OF CONTROL. THE EMBASSY'S DAO HAS JUST BEGUN A MEETING WITH OTHER EMBASSIES TO REVIEW THE DAY'S EVENTS; DAO WILL REPORT THE RESULTS OF THIS MEETING SEPTEL. END SUMMARY.

3. ANTI-VOA, ANTI-EMBASSY PROPAGANDA CONTINUES

CENTRAL PEOPLE'S RADIO AND CCTV CARRIED LENGTHY AND CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BEIJIN 15864 01 OF 02 1209092

HARSH CRITICISM OF VOA'S "DISGRACEFUL RUMOR-MONGERING" AND OF THE US EMBASSY FOR HAVING GRANTED TEMPORARY REFUGE TO FANG LIZHI. FANG AND HIS WIFE WERE CHARACTERIZED AS "TRAITORS,"
"ARCH-CRIMINALS," AND "SCUM." CCIV ALSO CARRIED STORIES OF ARRESTS, INCLUDING YANG FUQIANG, LEADER OF THE WORKERS INDEPENDENT UNION, AS WELL AS INTERVIEWS DEMONSTRATING THE PEOPLE'S "EXTREME RAGE" AT THE "THUGS" ENGAGED IN THE "COUNTER-REVOLUTIONARY REBELLION."

4. CHINESE GOVERNMENT ATTEMPTING TO RE-ESTABLISH ROUTINE CONTACT

VARIOUS GOVERNMENT ENTITIES INITIATED CONTACT WITH US JUNE 12 TO SET UP APPOINTMENTS TO DISCUSS ROUTINE MATTERS LEFT OVER FROM PRE-JUNE 4. THE RSO WILL MEET WITH THE BEIJ ING PUBLIC SECURITY BUREAU JUNE 13 AT 1000 LOCAL TO DISCUSS A ROUTINE MATTER DATING FROM MONTHS AGO. THE MINISTRY OF LABOR CALLED US TO ATTEMPT TO CONFIRM A TRIP TO THE US SCHEDULED FOR NEXT MONTH. IN ADDITION, WE WERE CALLED BY THE UN OFFICE IN BEIJING REGARDING A CALL THEY RECEIVED FROM THE CHINESE AUTHORITIES ON THE SUBJECT OF VIETNAMESE

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REFUGEES. MEANWHILE, THE SOVIETS PROVED THAT THEY ARE NOT TOO SHY TO DEAL ON A FRIENDLY BASIS WITH THIS GOVERNMENT: SOVIET AMBASSADOR TROYANOVSKY HELD A "FRIENDLY TALK AND EXCHANGED VIEWS" WITH VICE PREMIER TIAN JIYUN ON JUNE 12, ACCORDING TO THE OFFICIAL XINHUA NEWS AGENCY. THE SUBJECT OF THEIR DISCUSSION WAS THE FOURTH REGULAR MEETING OF THE SINO-SOVIET COMMITTEE FOR ECONOMIC, TRADE, AND SCIENTIFIC COOPERATION WHICH WILL APPARENTLY GO ON AS SCHEDULED.

5. BABCOCK AND WILCOX GENERAL MANAGER ANXIOUS TO CONFIDENTIAL

CONFIDENTIAL

PAGE 04

BEIJIN 15864 01 OF 02 1209092

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CONFIDENTIAL

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PAGE 01

CONFIDENTIAL

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BEIJIN 15864 02 OF 02 120915Z

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C O N F I D E N T I A L SECTION 02 OF 02 BEIJING 15864

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PAGE 02 BEIJIN 15864 02 OF 02 1209152

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81

E.O. 12356:DECL:OADR

TAGS: PGOV, PHUM, SOCI, CH

SUBJECT: TFCH01: SITREP NO. 50: JUNE 12, 1700 LOCAL

THE AMERICAN CITIZEN GENERAL MANAGER OF BABCOX AND WILCOX'S JOINT VENTURE IN BEIJING, THE SECOND LARGEST AMERICAN JV IN THE CITY, WANTS TO RETURN TO WORK ASAP. HE UNDERSTANDS THAT THE USG RECOMMENDATION IS THAT ALL AMCITS DEPART CHINA, BUT HE IS WORRIED ABOUT HIS OPERATION WHICH EMPLOYS 2,500 CHINESE WORKERS. FOR THE TIME BEING HE IS WILLING TO WAIT, BUT WE EXPECT TO HEAR SIMILAR EXPRESSIONS FROM AMERICAN BUSINESSMEN IN THE DAYS AHEAD.

6. MOST AIRLINES RUNNING--COST EFFECTIVENESS IS THE BOTTOM LINE

THE AIRLINES MOST LIKELY TO BE USED BY WESTERN EMBASSIES AND EXPATS SHOULD OPERATE ACCORDING TO SCHEDULE FOR THE REST OF THIS WEEK. UNITED, BRITISH AIRWAYS, AND OTHER KEY WESTERN AIRLINES WILL RE-EVALUATE AT THE END OF THIS WEEK. SAS AND FINNAIR HAVE CANCELLED ALL FLIGHTS FOR THE TIME BEING. JAL AND ALL NIPPON AIRWAYS TOLD US THEY WILL REVIEW THE SITUATION IN BEIJING ON A DAILY BASIS. CAAC WILL FLY ALL NORMALLY SCHEDULED FLIGHTS TO THE US. WHEN EMBOFF ASKED CAAC IF THERE WOULD BE ANY CHANGE IN THEIR SCHEDULE, SHE WAS TOLD THAT THERE WAS NOTHING HAPPENING IN BEIJING TO WARRANT A CHANGE.

7. FRG EMBASSY DOWN TO TWENTY FIVE

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BEIJIN 15864 02 OF 02 120915Z

THE WEST GERMANS SENT HOME 32 OFFICERS, LEAVING A STAFF OF 25. MOST OF THEIR DEPENDENTS HAVE DEPARTED BEIJING.

8. OVERVIEW OF THE MILITARY SITUATION

THERE IS NO MOVEMENT OR NOTABLE TROOP CONCENTRATION IN THE UNIVERSITY AREA. EXISTING MILITARY GROUPS ARE CONSOLIDATING AND ADJUSTING THEIR AREAS OF CONTROL. THERE IS SOME DISCUSSION AMONG ALLIED ATTACHES ABOUT WHETHER THE TOTAL TROOP PRESENCE IS CLOSER TO THE 100,000 FIGURE THAT HAS BEEN DIRECTLY OBSERVED OR RANGES HIGHER. THE EMBASSY'S DAO HAS JUST BEGUN A MEETING WITH OTHER EMBASSIES TO REVIEW THE DAY'S EVENTS; DAO WILL REPORT THE RESULTS OF THIS MEETING SEPTEL.LILLEY